



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20453 July 16, 2004

RQ-2

Thomas G. Leckey, Treasurer  
South Dakota Republican Party  
401 E. Sioux  
Pierre, SD 57501

Response Due Date:  
July 16, 2004

Identification Number: C00044990

Reference: Amended April Monthly Report (3/1/04-3/31/04), received 5/20/04

Dear Mr. Leckey:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **An adequate response must be received at the Commission by the response date noted above.** An itemization of the information needed follows:

-The outstanding balances at the close of the period for several debts disclosed on Schedule D appear to be incorrect. Please amend your report to provide the correct balances.

-Schedule E of your report indicates that your committee may have failed to file one or more of the required 48 hour notices for independent expenditures (see attached). A political committee must file a 48 hour report with the Federal Election Commission as specified in 11 CFR §104.4(b), within 48 hours of any independent expenditures aggregating \$10,000 or more with respect to a given election, made any time during the calendar year up to and including the 20<sup>th</sup> day before an election. The notice must be received by the Commission by 11:59 p.m. on the second day following the date on which independent expenditures aggregate \$10,000 or more. These expenditures must then be fully itemized on the next report required to be filed by the committee. Although the Commission may take further action concerning this matter, your prompt response will be taken into consideration. 11 CFR §104.3(b)

-Schedule D, supporting Line 10 of your report, discloses debts owed to "Steve Brown Direct Mail, Inc.," "DBR Enterprises," "Pinnacle List

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Company," "Qualified Presort," "Professional Mailing and Marketing," and "Strategic Telecommunications, Inc." for apparent independent expenditures made on behalf of a federal candidate(s) that do not have a corresponding memo entry(s) on Schedule E, supporting Line 24. Please be advised that if the communication is aired in one reporting period and payment is made in a later reporting period, the independent expenditure should be reported as a memo entry on Schedule E when the communication is publicly disseminated and on a Schedule D if it is a reportable debt under 11 CFR 104.11. When the payment for the independent expenditure is made, the report should show a payment on Schedule E and the same payment on Schedule D, if applicable. Please amend your report to provide further clarifying information regarding the reporting of these apparent independent expenditures.

-Schedule B supporting Line 21(b) of your report discloses a payment(s) totaling \$75,000 for "Non-allocable Mail." Expenditures and disbursements for public communications (as defined under 11 CFR §100.26) that refer to a clearly identified candidate for Federal office and that promote, support, attack or oppose any candidate for Federal office, meet the definition of Federal Election Activity under 11 CFR §100.24 and should be disclosed on Schedule B for Line 30(b) along with the identity of the candidate(s). However, public communications that meet the definition of Federal Election Activity and that also contain express advocacy as defined under 11 CFR §100.22, would constitute an in-kind contribution, an independent expenditure or a coordinated party expenditure and should be properly disclosed on a Schedule B, E or F supporting Lines 23, 24 or 25, as appropriate, rather than on Schedule B for Line 30(b). Please amend your report to properly disclose this activity or provide clarifying information.

-Schedule H4 supporting Line 21(a) discloses disbursements for "Exempt/Stickers" and "Exempt/Yard Signs" which may qualify as exempt party activity. A state or local party committee may pay for campaign materials (such as bumper stickers) that are distributed by volunteers in connection with activity on behalf of the party's nominees in a general election. Payments for this type of activity are exempt from the definition of a contribution or expenditure if the following conditions are met:

- no use of public advertising, including distribution by direct mail (mailings by a commercial vendor or from commercial lists);
- all funds used for the activity are permissible under the Act;
- none of the funds used were designated for a particular candidate;
- and

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- payments for the activity were not made from transfers-in from the national committee to specifically fund the activity. 11 CFR §§100.7(b)(15), 100.8(b)(16) and (18)

If this activity indeed qualifies as exempt, please amend Schedule H4 to categorize the disbursements as Exempt. For further guidance, please refer to the BCRA Supplement for the Campaign Guide for Party Committees.

-Your committee filed 48 hour notices informing the Commission of independent expenditures made in support or opposition of federal candidates with "Steve Brown Direct Mail, Inc.," "DBR Enterprises," "Pinnacle List Company," "Qualified Presort," "Professional Mailing and Marketing," and "Strategic Telecommunications, Inc." as the payee(s). However, the amounts and dates of public dissemination disclosed on these notices do not appear to correlate with the entries on Schedule E, supporting Line 24 for the reporting period. If your committee has filed 48 hour notices supporting independent expenditures not reflected on your reports, you must file Schedule E during the appropriate reporting period to disclose these payments. Please amend your report to clarify this discrepancy and provide further information concerning these notices.

Unlike previous election cycles, you will not receive an additional notice from the Commission on this matter. Adequate responses received on or before this date will be taken into consideration in determining whether audit action will be initiated. Requests for extensions of time in which to respond will not be considered. Failure to provide an adequate response by this date may result in an audit of the committee. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action.

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 1, then press 2 to reach the Reports Analysis Division) or my local number (202) 694-1152.

Sincerely,



Kristen Davis  
Campaign Finance Analyst  
Reports Analysis Division

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## Missing 24/48 Hour Notices

Name of Payee	Date	Amount	Purpose	Candidate
Steve Brown Direct Mail, Inc	3/8/04	\$6,782.80	O S6SD0 8 Direct Mail	Thomas Daschle
DBR Enterprises	3/8/04	\$11,110.55	O S6SD0 8 Direct Mail	Thomas Daschle
Professional Mailing And Marketing	3/12/04	\$2,452.64	O S6SD0 8 Direct Mail	Thomas Daschle
Steve Brown Direct Mail, Inc	3/12/04	\$935.85	O S6SD0 8 Direct Mail	Thomas Daschle
DBR Enterprises	3/12/04	\$2,696.16	O S6SD0 8 Direct Mail	Thomas Daschle
Pinnacle List Company	3/12/04	\$905.00	O S6SD0 8 Telemarketing Cost	Thomas Daschle
Qualified Presort	3/12/04	\$3,965.98	O S6SD0 8 Direct Mail	Thomas Daschle
Professional Mailing And Marketing	3/17/04	\$10,000.00	O S6SD0 8 Direct Mail debt payment	Thomas Daschle
Professional Mailing And Marketing	3/17/04	\$1,638.11	O S6SD0 8 Direct Mail	Thomas Daschle
Qualified Presort	3/17/04	\$31,428.88	O S6SD0 8 Direct Mail debt payment	Thomas Daschle
Qualified Presort	3/17/04	\$11,000.00	O S6SD0 8 Direct Mail	Thomas Daschle
Professional Mailing And Marketing	3/29/04	\$8,281.91	O S6SD0 8 Direct Mail	Thomas Daschle

